VZCZCXRO7868 OO RUEHBI RUEHCI DE RUEHNE #9487 3501250 ZNY SSSSS ZZH O 161250Z DEC 05 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 7555 INFO RUEHCI/AMCONSUL CALCUTTA 0336 RUEHCG/AMCONSUL CHENNAI 9974 RUEHBI/AMCONSUL MUMBAI 9245 RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUEHGV/USMISSION GENEVA 0245 RUCPDOC/DEPT OF COMMERCE WASHDC RHHJJPI/PACOM IDHS HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC

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NSC FOR GREEN, ROOD, ABRAMS, DEPT FOR ISN/CD, ISN/MTR, SA/INS, SA/RA, SA/FO $\,$

E.O. 12958: DECL: 12/02/2015

TAGS: PREL PARM MNUC ETTC MTCRE IN

SUBJECT: INPA SANCTIONS ON INDIA ARE A "LAND MINE"

REF: A. NEW DELHI 9435

¶B. STATE 225179

1C. 04 NEW DELHI 6699

Classified By: PolCouns Geoff Pyatt for Reasons 1.4 (B, D)

11. (S) Briefing Joint Secretary (Americas) S Jaishankar on December 16 about the Ambassador's preview to Foreign Secretary Saran of the imminent announcement of sanctions on

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Indian entities (Ref A), PolCouns reviewed the Congressional notification timeline and Ref B talking points, emphasizing the positive decision to rescind wrongly-imposed sanctions on Surendra, and offering to work closely with the GOI to minimize fallout from the announcement. Jaishankar expressed severe concern that nonproliferation advocates opposed to the July 18 agreement would seize on the Federal Register notice to argue that India has skeletons in the closet and could not be trusted to uphold its end of the civil nuclear bargain, scuttling chances for advancing the President's agenda with India.

- 12. (S) Speaking frankly, and echoing the "brick through the window of the NSSP" comment he made earlier to A/S Rocca (Ref C), Jaishankar remarked that "every time some forward movement is happening (in the relationship) you have a land mine" come along. His implication was that the GOI would see sanctions now (two and a half years after the Sabero transaction occurred) as a deliberate attempt to stall progress on the civil nuclear agreement.
- 13. (S) Jaishankar warned that we should expect a forceful reply from the GOI when the sanctions become public, making clear the Indian view that these were legitimate transactions to CWC-declared facilities, and that there exists no basis for US sanctions. PolCouns encouraged Jaishankar to focus any public statements on the US acknowledgment of inaccuracy in the Surendra case, which involved a GOI employee, and subsequent reversal of sanctions, rather than the latest cases.
- 14. (U) Visit New Delhi's Classified Website:
 (http://www.state.sgov.gov/p/sa/newdelhi/)